



Decision Maker:	Cllr Robert Davis MBE DL, Cabinet Member for Business, Culture & Heritage
Date:	29 August 2017
Classification:	General Release
Title:	PaddingtonNow Business Improvement District Renewal Proposal 2018-23
Wards Affected:	Hyde Park
Key Decision:	No
Financial Summary:	No additional costs to the City Council. The cost of administering the ballot is accommodated within existing budgets.
Report of:	Ed Watson, Executive Director - Growth, Planning and Housing Westminster City Council, Portland House, Bressenden Place, London, SW1E 5RS Tel: 020 7641 1747 Email: ewatson@westminster.gov.uk

1. Executive Summary

- 1.1 In July 2017 the City Council received a draft Business Improvement District (BID) Renewal Proposal from PaddingtonNow. The proposal seeks a fourth term to last until March 2023. The existing BID area boundaries will be retained without change in the renewed BID. The ballot is proposed to take place during October and November 2017 with the result of the ballot to be announced on the 10th November 2017.
- 1.2 The PaddingtonNow Renewal Proposal reflects the priorities of their business community and ensures that City for All is at the forefront of their thinking. PaddingtonNow's initial vision for a cleaner, safer and better marketed Paddington has not changed, but the approach to problem-solving has grown more sophisticated over time.

- 1.3 This report describes PaddingtonNow's future proposal, which has been developed closely with Council service portfolios. It then sets out the process described in the Business Improvement Districts (England) Regulations 2004 (the 2004 Regulations), which PaddingtonNow and the City Council are required to follow to secure a fourth term. It then describes PaddingtonNow's future proposal, which has been developed closely with Council service portfolios.
- 1.4 The Deputy Leader and Cabinet Member for Business, Culture & Heritage is responsible for BIDs and so is asked to agree the recommendations in the report.

2. Recommendations

- 2.1 That the Cabinet Member for Business, Culture & Heritage endorses the PaddingtonNow Renewal Proposal.
- 2.2 That the Cabinet Member for Business, Culture & Heritage requests the Chief Executive as Returning Officer and "Ballot Holder" to hold a ballot for the proposed PaddingtonNow Renewal Proposal.
- 2.3 That the Director of Law be authorised to complete the necessary legal agreements required for the operation of the BID Levy, Ballot and service arrangements and any other necessary matters for the proposed BID in consultation with the appropriate officers.

3. Reasons for Decision

- 3.1 PaddingtonNow has a strong collaborative relationship with the City Council. Examples include:
 - Two major highway schemes in Paddington, including the paving and lighting scheme on Praed Street south (this was when it was called Civic Streets) and the widening of London Street (west). The BID made a significant financial contribution, did a lot of business and property owner engagement and all forecourt agreements.
 - The transformation of both Talbot Square and Norfolk Square Gardens. Again contributing financially. At Norfolk Square they secured sponsored benches, installed table tennis, undertake regular planting, offer free deck chairs and co-fund the new Park Keeper's hut.
 - The on-going Business Security Zone, set up by the BID was the first of its kind. This was subsequently adopted by the City Council. The BID has a paid-for police team and has regular tasking and information sharing meetings with Community Protection.
 - Weekly street audits undertaken by the BID provide additional eyes and ears for the City Council in Paddington.
 - The BID was one of the first BID members of Cross River Partnership and is active members of Clean Air Better Business. They participate regularly in anti-

idling initiatives and have installed many pieces of green infrastructure to tackle air pollution and flooding.

- 3.2 It is anticipated that PaddingtonNow will continue to play an active part in the joint working arrangements Westminster has set up for BIDs to liaise with City Council members and officers, to enable new ideas, plans and initiatives of mutual concern to be discussed prior to public launch. Officers will also continue to encourage PaddingtonNow as with all BIDs to work collaboratively with each other on joint initiatives so as to avoid duplication of resources and contact with the Council.
- 3.3 This report describes the BID Renewal Proposal that has been submitted by PaddingtonNow to continue into a fourth term. These do not conflict with City Council policies. The Deputy Leader and Cabinet Member for Business, Culture & Heritage is therefore asked to endorse the Renewal Proposal and other recommendations contained in this report. This report has been placed on the forward list of executive decisions.

4. Background, including Policy Context

- 4.1 Since 2005 PaddingtonNow BID has been delivering vital projects and services such as improving the quality of streets, reducing traffic, saving businesses money, managing back anti-social behaviour, tackling pollution, upgrading parks and gardens, changing perceptions of the area, investing in green infrastructure; future-proofing Paddington for future growth.
- 4.2 In February 2005 local businesses first voted to establish PaddingtonNow BID with an 87% majority and the BID then went live in April 2005 for an initial four-year term. In November 2008 the BID was renewed for a further four year term to 31 March 2013 with an 83% majority. Then in July 2010, Paddington BID became the first in the UK to undertake an alteration ballot to change its income-raising rules mid-term. This was to provide the Board with the ability to set discounts, reducing the amount of levy collectable in any year – this ballot achieved an overwhelming majority of 97%. In October 2012 the BID was again renewed, this time for a five year term, with an 84% majority at ballot.
- 4.3 BIDs can continue for an unlimited number of terms, providing they are successful in their ballots. PaddingtonNow has submitted its BID Renewal Proposal for a fourth term to terminate on 31 March 2023. The City Council is statutorily bound to consider the proposal and hold a ballot of their businesses on PaddingtonNow's behalf.
- 4.4 The ballot for PaddingtonNow's proposed second term is due to take place during October and November 2017. If the majority of voters in the ballot support the proposals, and of those voting, there is also a majority by rateable value, and the City Council does not exercise its veto option, then the BID will formally start its fourth term on 1 April 2018.

5 PaddingtonNow Renewal Proposals

- 5.1 PaddingtonNow (company number 5357332) is a not for profit company limited by guarantee. It was formed to operate the BID and is the BID Proposer putting forward these plans for 2018-2023. Assuming a successful ballot, it is the legal entity that will continue to provide governance and run the activities of the BID supported by an experienced and effective team. The composition of the Board reflects the area's key business sectors of Retail, Health, Hotels, Offices Restaurants, Cafes & Public Houses.
- 5.2 PaddingtonNow formally submitted its BID renewal proposal in July 2017. The existing BID area boundaries will be retained without change in the renewed BID. The BID continues to apply 3 BID Levy rates (1.5% for Hotels, 0.8% for Imperial College Healthcare NHS Trust and 2% for others). The BID Levy applies to premises with a minimum rateable value of £30k. Voluntary membership is available for businesses below the BID Levy threshold. Together with voluntary contributions, the budgeted programme of activity for the BID area over the next five year term is £4.1 million.
- 5.3 A "closed year" BID rule is being introduced for the first time for this BID. This particular rule has previously been incorporated by other BIDs. The rule means that backdated rateable value reductions, following ratepayer Valuation List appeals, settled by the Valuation Office, are only backdated to the start of the current financial year. No refunds or collections of the BID levy will be made for previous years. All BIDs when introducing the Closed Year Rule are made aware that the restriction of recalculation of BID levy to the current financial year applies equally to rateable value increases and decreases. The rule excludes changes relating to RV£0, RV£1, deletions and insertions, splits and mergers. The rule is included in the published BID rules so that individual businesses are aware of the rule at the point of ballot.
- 5.4 The ballot period lasts for a minimum of 28 days and is due to start on 9 October 2017 and finish on 9 November 2017. To ensure neutrality the ballot will be administered by Westminster City Council.
- 5.5 **ANNEX 1** summarises PaddingtonNow's proposals for the next term grouped under the following priorities:
- Looking good, feeling good
 - Commercial Recycling
 - Safer Paddington
 - Putting Paddington on the Map
 - Representing You
- These accord with much of the City Council's own aspirations for the area and the city generally.

6. Financial Implications

- 6.1 The services provided by the BID will be integrated with those provided by the City Council. Other than staff time spent on negotiating the precise details of their provision, the services will not cause additional cost to the City Council.
- 6.2 The Business Improvement Districts (England) Regulations 2004 require the City Council to pay for the ballot, which is only recoverable in the event of a very low turnout of votes supporting the BID proposal. Staff time will be funded from existing budgets and the cost of the ballot will be met from Civic Enterprise Fund reserves so there will be no additional cost to the City Council.
- 6.3 The City Council will be responsible for collecting the BID Levy through the existing business rates system into a ring fenced BID fund before passing it over to the BID.
- 6.4 The requirement for a closed year rule is being introduced for the first time for this BID. This is an increase in complexity compared to the current term which will result in an increased administrative charge for the BID in order to adapt the system to accommodate this rule.

7. Legal Implications

- 7.1 The process for a BID to become formally established or renewed is set out in The 2004 Regulations and is as follows.
- 7.2 The BID proposer must notify the City Council and the Secretary of State at least 84 calendar days in advance of a request to hold a ballot. PaddingtonNow gave such notice in April 2017 of their request to hold a ballot in October 2017. PaddingtonNow will follow this up with the formal written request to hold a ballot in October 2017.
- 7.3 As required by regulation 4(2)(a)(i) of the 2004 Regulations, PaddingtonNow have also sent the City Council:
 - 7.3.1 a copy of the BID proposals (the required contents of which differs depending on whether it is a new proposal, a renewal proposal or an alteration proposal);
 - 7.3.2 a summary of the consultation the BID proposer has undertaken with those liable to pay the BID levy;
 - 7.3.3 a summary of the proposed business plan, to include estimates of cash flow, predicted revenue and expenditure, and the predicted budget over the duration of the BID arrangements and the contingency margin included in the budget;

- 7.3.4 the financial management arrangements for the BID body and the arrangements for periodically providing information to the City Council on the finances of the BID body;
 - 7.3.5 and information to satisfy the City Council that PaddingtonNow has sufficient funds to meet the costs of the ballot should it be required to do so under regulation.
- 7.4 The City Council must consider whether the BID proposals conflict with any formally adopted and published policy by the City Council (whether or not the City Council is under a statutory duty to prepare such a document). If the City Council is of the view that they do conflict, then it must, as soon as reasonably practicable after receiving the proposal, notify PaddingtonNow, in writing explaining the nature of that conflict.
- 7.5 If the City Council is satisfied that the documents provided by PaddingtonNow meet the requirements of the legislation, the City Council is legally obliged by the 2004 Regulations to instruct the ballot holder to hold a BID ballot. The ballot holder for the City Council is the Chief Executive in his capacity as the Returning Officer. Having reviewed the documents, the City Council is satisfied that they do indeed meet the requirements. As such, the City Council will request the Returning Officer to make the necessary arrangements for the BID ballot.
- 7.6 The 2004 Regulations grant the City Council a power to veto a BID proposal after it is approved by a ballot, which is exercisable only if it is likely to:
- 7.6.1 conflict to a material extent with any policy formally adopted by and contained in a document published by the City Council (whether or not the council is under a statutory duty to prepare such a document), or
 - 7.6.2 be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID) and (i) that burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and (ii) that burden is inequitable.
- 7.7 If the City Council wishes to exercise its power to veto, it must do so within 14 working days from the day of the ballot, and must have regard to all of the following:
- 7.7.1 the level of support (as evidenced by the result of the BID ballot or re-ballot of a BID ballot, as the case may be) for the BID proposals;
 - 7.7.2 the nature and extent of the conflict referred to in paragraph 7.8.1 above;
 - 7.7.3 in relation to paragraph **Error! Reference source not found.**, the structure of the proposed BID levy and how the financial burden of the BID is to be distributed amongst ratepayers in the geographical area of the BID;
 - 7.7.4 the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority; and

- 7.7.5 the cost incurred by any person up to the end of the 14 day period in developing the BID proposals and canvassing in relation to the BID proposals.
- 7.8 At the time of writing, the City Council is of the opinion that:
 - 7.8.1 the PaddingtonNow Renewal Proposals are in line with Council policies and priorities; and
 - 7.8.2 the proposals are not a significantly disproportionate financial burden on any persons or class of persons.
- 7.9 As such, currently the City Council has no intention to exercise its right to veto, but may review the situation in the event of any significant change in circumstances.
- 7.10 Two legal agreements between the City Council and PaddingtonNow will need to be drawn up to cover: the BID Levy collection, and the service specification for various services such as cleansing and highways which the City Council will continue to deliver throughout the BID's duration, subject to periodic review and consultation with the BID.

8. Consultation

- 8.1 PaddingtonNow has carried out its own consultation with its businesses in formulating the Renewal Proposal.
- 8.2 Ward Members have been consulted during the drafting of this report. No responses have been received.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Haylea Asadi, Strategic Manager – Business & Enterprise on hasadi@westminster.gov.uk or tel 020 7641 1842.

BACKGROUND PAPERS

PaddingtonNow 2018-23 Renewal Proposal dated 2nd August 2017

For completion by the **Cabinet Member for Business, Culture & Heritage**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Robert Davis, MBE, DL**

State nature of interest if any

.....
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Paddington Now BID Renewal Proposal 2018-2023**

.....

Signed

Cabinet Member for Business, Culture and Heritage

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Appendix A

Other Implications

1. Resources Implications

There are no implications

2. Business Plan Implications

There are no implications though it is worth noting that BIDs make a valued contribution to priorities identified in the Economic Development Strategic Framework and Enterprise and Employment Programmes 2015-19. Significant additional investment in economic development and place shaping is generated through Westminster's BIDs. The funding is used to implement the projects prioritised by the business community in the BID business plan. BIDs are taking an increasing role in place leadership, stewardship and driving local economic growth. While BIDs are business-led, they benefit those working, living and visiting the area.

3. Risk Management Implications

There are no implications

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

There are no implications

5. Crime and Disorder Implications

There are no implications though it is worth noting that continuing to work collaboratively with partners to address crime and disorder matters features as a priority within PaddingtonNow's Renewal Proposal.

6. Impact on the Environment

There are no implications though it is worth noting that the BID's highly successful commercial recycling service will continue and Air Quality features as a priority within PaddingtonNow's Renewal Proposal.

7. Equalities Implications

There are no implications

8. Staffing Implications

There are no implications

9. Human Rights Implications

There are no implications

10. Energy Measure Implications

There are no implications

11. Communications Implications

There are no implications though it should be noted that PaddingtonNow's Renewal Proposal includes significant activity around promoting the area as a place of interest to locals and visitors alike including raising awareness of what Paddington has to offer, as well as increasing footfall to the area.

Note to report authors: If there are particularly significant implications in any of the above categories these should be moved to the main body of the report.